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Germany

Organic Products

German Organic Market Support

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Report Highlights:

Germany starts a publicly sponsored information campaign for the new national organic seal budgeted at Euro 7.5 million. In addition, Germany prepared a memorandum to the EU to initiate a reform/strengthening of EU organic criteria.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
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German Organic Market Support

In September 2001 German ag-minister Renate Kuenast presented a new logo for organic food products marketed in Germany (see GAIN report GM1029). This new logo replaced the preceding private industry label 'Oekopruefzeichen'. The new organic logo is based on organic production principles laid down in the EU organic market regulation EEC 2092/91. Retail trade and processing industry strongly support the new seal since it does not distinguish between imported and national products as the Oekopruefzeichen did. However, organic producer organizations in Germany are not very happy with the new seal. They claim that the EU organic rules are not stringent enough. Most private organic producer organizations require stricter organic rules. Despite their criticism, they accept the seal as a helpful tool to better identify organic products on the retail shelf.

The past BSE crisis had increased demand for organic products by about 30 percent in 2001. Total organic market share is estimated at 2.1 percent in 2001 versus 1.6 percent in 2000 based on ZMP statistics (Central Market and Prices Reporting Board for Agriculture). These numbers do not include consumption of organic products in restaurants and other food services (caterers, canteens and other institutions). In particular during the first half of 2001 many consumers purchased more organic foods. After the BSE topic disappeared from the front pages and the main TV news, interest in organic products slowed down. During 2001, almost all retailers and retail chains, including the price aggressive discount chains, tested new organic product lines in their stores. The results have been reportedly optimistic.

For 2002, some market observers forecast a twenty percent growth. However, in view of increasing economic problems in Germany and, hopefully, the absence of a supportive food scare, such a high growth rate seems to be overly optimistic. However, sustained growth in the organic market will result from the fact that more conventional food retailers also offer organic products. German observers of the organic market hope that a wide use of the new logo will improve the visual identification of organic foods in the stores. .

To help the organic market continue its dynamic growth, the Federal Ministry of Consumer Protection will start an information campaign for the new logo in February/March 2002. Ads informing about the logo will be printed in newspapers and magazines and shown on billboards. Also three series of TV clips have been produced and will be broadcasted during February through May 2002. More info on the seal is available on the net under www.bio-siegel.de. Total budget for the logo information campaign will amount to Euro 7.5 million. So far the logo is already used by 170 companies for 1300 different products.

In reaction to the German organic industry criticism that EU regulation EEC 2092/91 is not strict enough, but now is the base requirement for the new German seal, the German government prepared a memorandum for a reform of EEC 2092/91. The memorandum lists the following six points of reform

- In addition to the producers and processors of organic foods, wholesalers of organic products should also be subject to the organic supervision system.
- In the future only complete farms should be converted to organic operations.

- Feed stuffs should only be produced on the farm where they are fed, or on a neighboring cooperating organic farm.
- The list of non-organic feed stuffs temporarily or exceptionally approved for organic production should be revised and reduced.
- Poultry manure and other liquid manure from conventional farms should no longer be permitted.
- Rules for organic aquaculture should be developed.